

Economy and Growth Committee

Date of Meeting:	17 March 2022
Report Title:	Carbon Neutral Programme: Building Standards and Carbon Offset
Report of:	Peter Skates, Director of Growth and Enterprise
Report Reference No:	EG/20/21-22
Ward(s) Affected:	All

1. Purpose of Report

- 1.1** In May 2019 Cheshire East Council committed itself to becoming carbon neutral for its own operations by 2025, a priority within the Council's Corporate Plan 2021-25 to help realise our vision for an open, fairer, greener Cheshire East. This paper provides an update to the Committee on the progress made towards this commitment and provides recommendations relating to building standards and information on the use of Council owned land to support the insetting¹ requirements.

2. Executive Summary

- 2.1.** In May 2019 Cheshire East Council committed to being a carbon neutral council by 2025 and to influence carbon reduction across the borough. In May 2020 we adopted our Carbon Action Plan which set out how we will achieve this.
- 2.2.** Our action plan set a carbon reduction target of 46% and an insetting target of 60% by 2025 from 2019 baseline levels. To date the Council has achieved carbon reduction of 5% and delivered 28% of its insetting target. However, there are a series of projects in development that are forecasting total carbon reduction of 49% and total insetting of 60%; these projects remain subject to delivery.

¹ 1 Offsetting Carbon that cannot be reduced by natural sequestration such as tree planting and renewable energy generation focused within the borough

- 2.3. Among the recommendations accepted was for the council to reduce carbon from buildings by adopting the Building Research Establishment Environmental Assessment Method (BREEAM) 'Excellent' or equivalent standard for new buildings and aiming for the highest BREEAM standard achievable for refurbished Council buildings.
- 2.4. This paper provides updates on the research undertaken to move forwards with the measure noted above and recommends the Committee to consider the adoption of a particular building standard and to note the land use requirements for inseting projects.

3. Recommendations:

- 3.1. The Committee approves the adoption of a Cheshire East low carbon build standard for new build and refurbished buildings valued up to £10 million in addition to the reductions planned as part of the council's estates transformation project; and confirms the adoption of BREEAM Excellent as the standard for all building projects valued in excess of £10 million.
- 3.2. Note the Council is planning to plant trees on suitable council owned agricultural land holdings as part of the Carbon Neutral Action Plan 2020-2025 commitment to develop natural climate solutions such as tree planting and peatland management on at least 100ha of Council owned land.
- 3.3. Note the Council is planning energy inseting projects including two solar arrays under development within the borough and the need for land to be made available for the delivery of these projects.

4. Reasons for Recommendations

- 4.1. Adopting a consistent approach to the standards required for buildings will allow projects to be accurately planned and costed. Building standards like BREEAM are not always appropriate for lower value projects. A review of appropriate equivalent standards has been undertaken with Manchester City Council's Low Carbon Build Standard being recommended as the most appropriate standard to adopt. The intention is to adopt this standard (and any future iterations) within the requirements for all construction projects, with a view to amending the document over time to be bespoke to the Council and to incorporate future improved targets and innovation. Where projects exceed £10m in value then the BREEAM excellent certification will be required.
- 4.2. Adopting a standard to reduce carbon in building work accords with the council's ambition to be carbon neutral by 2025.
- 4.3. The Carbon Action Plan accepted by Cabinet includes requirements to adopt a low carbon standard for buildings and to develop carbon inseting projects and the need for land to be used for these purposes was accepted.

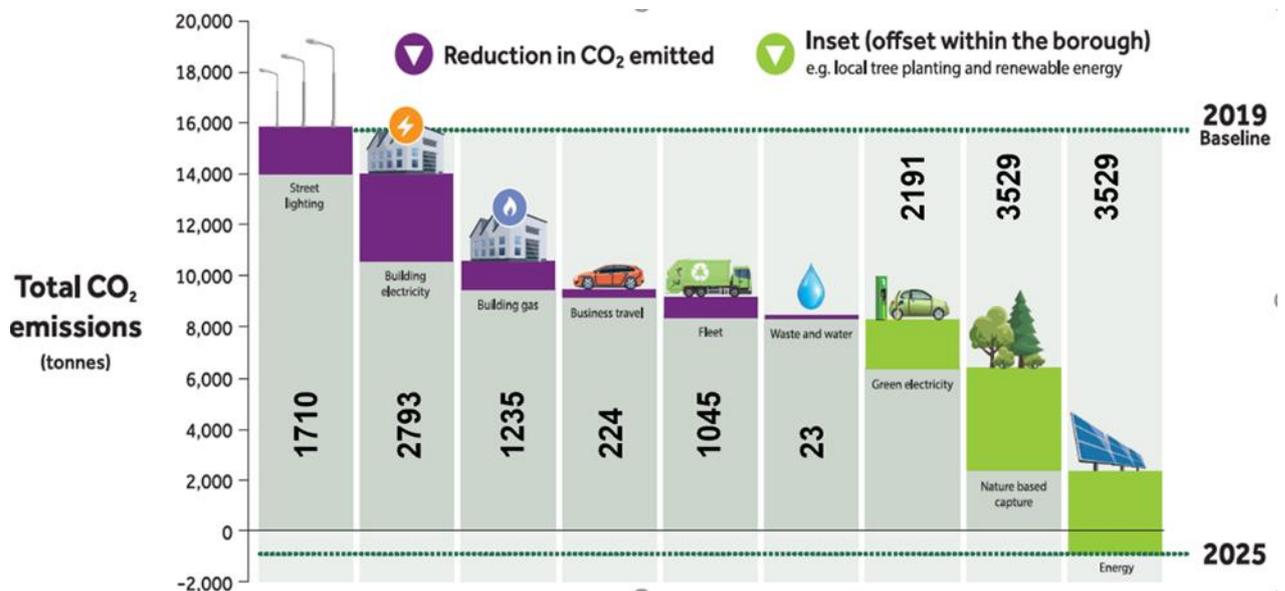
5. Other Options Considered

- 5.1.** The council could choose not to adopt a building standard. This would be contrary to the previous decision taken to accept the recommendations of the Carbon Action Plan and would impact on the council’s ambition to be carbon neutral for its own operations by 2025.
- 5.2.** The council could choose to adopt a wider sustainability standard such as BREEAM excellent for all projects. This option is considered sub-optimal as it would have a disproportionate cost impact on lower value building projects and could disincentivise building improvements which could, in themselves, have carbon benefits.
- 5.3.** The council could choose to purchase land for insetting purposes. This would have a significant impact on the viability of these projects and may not demonstrate additionality, which is an important element of offsetting.

Option	Impact	Risk
Do nothing	No standard will be in place for building projects leading to increased carbon emissions from the council	There is a risk that a substantial increase could negatively impact our ability to meet our carbon neutrality target. There is also a reputational risk to the council if we are seen to not be prioritising carbon following our own commitments.
Adopt a more stringent standard (e.g. BREEAM Excellent)	Add a significant costs impact to all building and refurbishment projects	There is a risk that projects (and carbon benefits) become unviable due to the costs involved
Purchase all land required for insetting projects	Add a significant cost to all carbon insetting projects	There is a risk that the council would have insufficient funds to carry out all necessary insetting projects as the additional costs would make it unlikely that the projects would meet their own costs.

6. Background

- 6.1. In May 2020 Cabinet accepted the Carbon Action Plan as the appropriate route to achieve the council's ambition of becoming carbon neutral for its own operations by 2025.
- 6.2. The carbon neutral action plan set carbon budgets against different areas of the Council's operations, illustrated below. These were intended to outline the scale of the reduction required against each area and would be reviewed annually and as and when new opportunities or technologies emerge. Where targets were not being met it is intended that other areas may be able to compensate through additional action.



- 6.3. The action plan gives several areas for the reduction of carbon including building heat, building electricity, fleet and waste. Additionally, the plan gives areas of carbon offset including energy generation and natural sequestration; these offsets are referred to as insets as the decision was made to keep to schemes within the borough of Cheshire East.
- 6.4. Over the initial eighteen months of the action plan progress has been made in reducing energy consumption and decarbonising building heat sources. The Council has been successful in gaining Public Sector Decarbonisation Funding of £4.5m, led by our Facilities team though our facilities contract with Equans, this is enabling the installation of solar PV, improved LED lighting, better building insulation and the replacement of some gas boilers with air source heat pumps, the first time this has been done by the authority.

- 6.5.** The May 2020 cabinet agreed a recommendation within the Action Plan for reducing carbon from buildings by adopting the Building Research Establishment Environmental Assessment Method (BREEAM) 'Excellent' or equivalent standard for new buildings and aiming for the highest BREEAM standard achievable for refurbished Council buildings;²
- 6.6.** Cheshire East Council's Assets team undertook to review BREEAM and other available standards to consider the most appropriate for use by the council.
- 6.7.** RSK Environment Ltd were commissioned to undertake a review and considered four methodologies, namely
- BREEAM
 - Manchester City Council's Low Carbon Build Standard
 - PAS 2060
 - The Government Property Agency Design Guide: Net Zero and Sustainability
- 6.8.** Following a review of the RSK report the Assets team, in consultation with other relevant service areas, considered that the best approach would be to:
- Seek amendment on the Council's currently approved policy of BREEAM excellent for all projects, to all projects exceeding £10million.
 - Incorporate the Manchester Low Carbon Build Standard within the design and construction process for all construction projects with a view to updating/amending the document over time to become a Cheshire East standard.
 - Develop a strategic mechanism to manage carbon offsetting shortfalls where individual projects are unable to achieve net zero.
- 6.9.** Within the approved Carbon Action Plan is a requirement to develop natural climate solutions such as tree planting and peatland management to sequester carbon on at least 100 ha of council owned land by 2025. Nature based sequestration is currently focusing on projects that include planting trees or hedgerows and restoring peat moss.
- 6.10.** The Council has undertaken a high-level land use assessment through consultants RSK Environment Ltd. This has detailed some sites of interest for nature-based solutions by considering what biodiversity net-gain and carbon savings could be achieved in particular areas. The assessment has also indicated the co-benefits that can be achieved from the implementation of

² Cheshire East Cabinet Minutes: [Agenda for Cabinet on Tuesday, 5th May, 2020, 1.00 pm | Cheshire East Council](#)

natural sequestration measures including public amenity, aesthetic, and flood mitigation among others. The assessment has recommended a number of sites that would provide net gains in biodiversity and carbon capture.

- 6.11.** Partnerships have been established with The Mersey Forest and Cheshire Wildlife Trust and proposals for joint planting schemes are being explored, with Cheshire East benefiting from community and volunteer input, work with schools and access to 'Trees for climate' funding.
- 6.12.** In order to meet our energy insetting targets the Council will need to develop further projects. Within the Carbon Neutral Action Plan there is a recommendation for 20ha of solar which will require land to deliver. The Land Use Assessment by RSK referred to above in para 5.14.6 has also considered the potential for re-allocating land for additional solar farms within the borough. Several sites have been identified with strong potential and will now proceed through feasibility to full business case.

7. Consultation and Engagement

- 7.1.** The council's Assets Board has considered the Low Carbon Build Standard and agreed the recommendations within the report.
- 7.2.** The Environment and Communities Committee has considered both the Land Use Assessment and the Low Carbon Build Standard.

8. Implications

8.1. Legal

- 8.2.** Councils have general powers to acquire land under the provisions of the Local Government Act 1972 and general powers of competence under the provisions of the Localism Act 2011 which allows the Council to do anything an individual can do, provided it is not prohibited by other legislation. These powers replaced the previous wellbeing powers; however, the use of these powers must be in support of a reasonable and accountable decision made in line with public law principles.
- 8.3.** It is important that surveys and investigations as to the physical condition, title, environment, and services are carried out in respect of any site identified as suitable for actions contemplated by this report at an early stage. Where specific sites in Council ownership are identified as suitable for actions contemplated by this report but are subject to third party interests, particularly tenanted properties, the Council may not have any entitlement to implement such actions and it may be necessary to seek further agreement and possibly incentivise that agreement.
- 8.4.** The Council must have regard to the Council's Constitution current at the time of taking the decision.

9. Finance

- 9.1.** The BREEAM standard was committed to at the cabinet meeting of May 2020 when we adopted the carbon action plan. By adopting the Manchester City Council Low Carbon Build Standard for projects below £10 million it will reduce the cost that BREEAM would incur while focusing efforts on carbon reduction. At a time of high energy price this will result in non-gas decarbonised heating sources, PV electricity generation on buildings and much higher insulation standards which should significantly reduce ongoing revenue costs of running buildings in addition to meeting carbon targets.
- 9.2.** Any new business case should include for the low carbon build standard or BREEAM excellent prior to approval.
- 9.3.** Existing projects should take consideration of the low carbon build standard or BREEAM excellent and take pragmatic approach in meeting the requirements.
- 9.4.** Adoption of the standard while potentially increasing project build costs will likely result, through increasing energy performance, in net saving over the operational lifespan of a building

10. Policy

- 10.1.** The recommendations within this report are reflective of the priorities within the council's Corporate Plan 2021-25 and the vision for an open, fairer, greener Cheshire East. The plan includes the goal to be a carbon neutral council by 2025.

11. Equality

- 11.1.** The Carbon Neutrality programme has an Equality Impact Assessment that is regularly updated

12. Human Resources

- 12.1.** There are no Human Resources impacts as a result of these recommendations.

Risk Management

- 12.2.** A programme risk register has been developed and is actively maintained. Individual projects also maintain their own risk register and individual risks are managed or mitigated.
- 12.3.** There is a risk that it will not be possible to achieve BREEAM excellent on occasional projects. These aberrations will need to be dealt with on a case by case basis.

13. Rural Communities

- 13.1.** Changes in land use to support the delivery of the carbon neutral goal may have an impact on rural communities. The land assessment has considered the competing priorities for different land parcels and given a rounded view.

14. Children and Young People/Cared for Children

14.1. There are no impacts anticipated to affect children and young people. As part of the wider Carbon communications strategy plans are in place to engage with children and young people through schools and other channels.

15. Public Health

15.1. It is expected that reductions in carbon emissions and associated pollutants will have a positive impact on public health.

16. Climate Change

16.1. The matters within this report are concerned with reducing the council's carbon footprint.

Access to Information	
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Appendices:	Appendix 1 – Summary of Manchester Low Carbon Build Standard
Appendices	Appendix 2 – Summary of Land Use Assessment
Background Papers:	Cheshire East Carbon Neutral Action Plan Manchester Low Carbon Build Standard Land Use Assessment (Confidential Part 2 Item)